

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

J-SQUARED TECHNOLOGIES, INC., a	)	
Canadian corporation, and J-SQUARE	)	
TECHNOLOGIES (OREGON) INC., an	)	
Oregon corporation,	)	
	)	
Plaintiffs,	)	
v.	)	C.A. No. 04-CV-960-SLR
MOTOROLA, INC., a Delaware corporation.	)	
Defendant.	)	

**EXHIBIT D TO  
MOTOROLA'S RESPONSE TO PLAINTIFFS'  
MOTION TO AMEND**

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ William W. Bowser

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Examination No. 06-0288.4

Court File No. CA 04-960-SLR

(District of Delaware)

**IN THE UNITED STATES DISTRICT COURT**

B E T W E E N:

J-SQUARED TECHNOLOGIES, INC., a Canadian Corporation, and  
J-SQUARED TECHNOLOGIES (OREGON) INC., an Oregon Corporation

PLAINTIFFS

- and -

MOTOROLA, INC. A DELAWARE CORPORATION

DEFENDANT

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DEPOSITION OF JEFFREY GIBSON, pursuant to an appointment  
made on consent of the parties to be reported by  
Cornell•Catana Reporting Services, on March 23, 2006,  
commencing at the hour of 9:14 in the forenoon.

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APPEARANCES:

**COURT COPY**

Sean J. Bellow

for the Plaintiffs

Randy Papetti and Emily S. Cates

for the Defendant

This Examination was taken down by sound recording  
by Janice West at Ottawa, Ontario, Canada.

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1 think it could necessarily be profitable?

2 A. If we went to market that way but we didn't  
3 go to market that way. The Component people -- some of  
4 the Component people helped out but it was -- we were  
5 careful what percentage of their time they put into it.  
6 The initial concept was the Component people would put a  
7 reasonably high percentage into Motorola and work with  
8 the Prime. Right?

9 And that's why, you know at 5 percent or 3.6 --  
10 whatever commission, we couldn't afford to go and do  
11 that. We still leveraged off the Component People and  
12 had them engaged at a much smaller percentage of time  
13 than what we initially thought. That's what he's  
14 referring to.

15 662. Q. You had people completely dedicated to ESG?

16 A. Right, which would be 100 percent ESG but  
17 the Component People -- we also have a lot of lines on  
18 our Component line -- we have eight or 10 lines there  
19 but they were also going to help out for Motorola.

20 663. Q. At some point in time -- well let me ask you  
21 this. By this point in time, have you had any  
22 discussions with Mr. Terry about the expected duration  
23 for the length of the relationship?

24 A. Well, the way Larry couched it was that  
25 Motorola had a big problem. They had something like 50

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1 side sales guys in North America. They went to 12 and  
2 he was one of the 12 and they couldn't get every where  
3 they wanted to.

4 Distribution was not cutting it from the  
5 perspective of getting new designs for them in the  
6 account base, so they needed a way to get more sales  
7 people there -- it was going to go to Demand Creation in  
8 the account base and that they needed to really think  
9 through what their long term strategy would be from a  
10 sales coverage perspective.

11 Right -- and in initial conversations with  
12 Larry, it was like, hey, he was a big advocate that we  
13 need to put reps on and that should be our long term  
14 strategy with whatever number of direct people we have.

15 664. Q. Did you think Mr. Terry, at this time, was a  
16 Senior Decision Maker on channel strategies for  
17 Motorola?

18 MR. BELLEW: Objection.

\*O\*

19 THE WITNESS: I think he was -- I don't know  
20 about Decision Maker but certainly influencer, or  
21 influencer.

22 BY MR. PAPETTI:

23 665. Q. Did you think he was a Senior Decision  
24 Maker?

25 MR. BELLEW: Objection.

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1           figured out was that it was the result of receiving a  
2           New York Shipping Address on the activity from  
3           Motorola's Distributor and she apologized for the length  
4           of time it took to resolve it?

5                   A. Well, we're the ones that actually pointed  
6           that out to Motorola. That's what was happening.

7   757.           Q. Right and Motorola investigated it and it  
8           took awhile to figure out?

9                   A. Right.

10   758.          Q. When she figured out what happened, she cut  
11           J-Squared a cheque? Correct?

12                  A. Correct.

13   759.          Q. Are you aware of any other accounts covered  
14           by the Agreement between J-Squared and Motorola that J-  
15           Squared earned a commission on under the Agreement that  
16           J-Squared wasn't paid for?

17                  A. Am I aware -- no.

18   760.          Q. You can't point to any particular account  
19           that you believe the commission that J-Squared was paid  
20           was less than what J-Squared believes it was owed under  
21           the Parties Agreement?

22                  A. No.

23   761.          Q. Do you have any reason to believe Ms Blair  
24           wasn't sincere as to what the confusion was at Motorola  
25           as to why they didn't pay this commission properly?